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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

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Ex parte JAMES SHEUNG LAU

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Appeal 2008-2232
Application 10/015,378
Technology Center 2100

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Decided: July 29, 2008

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Before KENNETH W. HAIRSTON, SCOTT R. BOALICK,
and JOHN A. JEFFERY, *Administrative Patent Judges*.

JEFFERY, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant appeals under 35 U.S.C. § 134 from the Examiner's
rejection of claims 1-13, 15-22, 29, and 31-35. Claims 14 and 30 have been
cancelled, claims 23 and 24 have been indicated as containing allowable
subject matter, and claims 25-28 and 36-39 have been withdrawn from
consideration (App. Br. 2). We have jurisdiction under 35 U.S.C. § 6(b).
We affirm.

STATEMENT OF THE CASE

Appellant invented a system for encouraging users of computer readable content to register with a server. To this end, the content has instruction codes embedded therein that automatically direct a processor circuit to establish connection with the server and transmit registration information to the server. The server can then control further use of the content via a key sent from the server to the processor.[1] Claim 1 is illustrative with the key disputed limitation emphasized for clarity:

1. A method for encouraging users of computer readable content to register, the method comprising:

embedding, in said computer readable content, instruction codes

operable to direct a processor circuit to automatically establish a connection to a server, when said content is in use by said processor circuit, to transmit registration information to said server, and

operable to control further use of said content by said processor circuit in response to a key received from said server, wherein the instruction codes include self-executing application code, and said content is *non-functional descriptive content*. (emphasis added)

The Examiner relies on the following prior art references to show unpatentability:

Bullen	US 5,946,677	Aug. 31, 1999
Snyder	US 6,070,171	May 30, 2000
Story, Jr. ("Story")	US 2002/0046181 A1	Apr. 18, 2002 (filed Dec. 28, 1998)

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[1] *See generally* Spec. 1:22-5:13.

Peinado	US 2003/0078853 A1	Apr. 24, 2003 (eff. filed Apr. 12, 1999)
Meyer	US 6,748,362 B1	Jun. 8, 2004 (filed Sep. 3, 1999)
Tomat	US 6,784,925 B1	Aug. 31, 2004 (filed Mar. 24, 1998)
Colvin	US 2004/0225900 A1	Nov. 11, 2004 (eff. filed Jun. 4, 1998)

1. Claims 1-13, 15, 19, 20, 29, and 31-35 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Snyder and Meyer.

2. Claims 1-11, 16-20, 29,[2] and 31-35 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Colvin and Meyer.

3. Claims 16 and 17 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Snyder, Meyer, and Peinado.

4. Claim 18 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Snyder, Meyer, Peinado, and Story.

5. Claim 21 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Snyder, Meyer, and Bullen.

6. Claim 22 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Snyder, Meyer, Bullen, and Tomat.

Rather than repeat the arguments of Appellant or the Examiner, we refer to the Briefs and the Answer for their respective details. In this decision, we have considered only those arguments actually made by Appellant. Arguments which Appellant could have made but did not make

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[2] Although the Examiner includes claim 39 in the statement of the rejection (Ans. 4), we presume this is a typographical error based on the record before us. *See, e.g.*, App. Br. 8 (including claim 29 in this rejection). We therefore presume that the Examiner intended claim 39 to be claim 29 in this rejection.

in the Briefs have not been considered and are deemed to be waived. *See* 37
C.F.R. § 41.37(c)(1)(vii).

The Obviousness Rejection Based on Snyder and Meyer

We first consider the Examiner's obviousness rejection of claims 1-
13, 15, 19, 20, 29, and 31-35 over Snyder and Meyer (Ans. 3-4). Regarding
representative claim 1,[3] Appellant argues that the Examiner's stated
motivation to modify Snyder by embedding the Tracker Client program into
non-functional descriptive content to control the exact behavior of the
execution environment and track content usage is not taught by Meyer as the
Examiner contends. As such, Appellant contends, Meyers fails to establish
the purported motivation to combine the references (App. Br. 5-8).
Appellant adds that Meyers actually teaches away from the claimed
invention since Meyer encourages the free and open exchange of music,
whereas the claimed invention does just the opposite by controlling further
use of the content (Reply Br. 2-3).

The Examiner notes that Meyer encodes executable content in non-
functional descriptive content (i.e., a media file), and Snyder embeds
additional software (i.e., the Tracker Client program) in parent software.
According to the Examiner, in view of Meyer, ordinarily skilled artisans
would modify Snyder to embed the Tracker Client program in *non-
functional descriptive content* (e.g., a media file) in lieu of embedding such a
program in parent software (Ans. 9). The Examiner adds that such a

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[3] Appellant argues claims 1-13, 15, 19, 20, 29, and 31-35 together as a
group. *See* App. Br. 8. Accordingly, we select claim 1 as representative.
See 37 C.F.R. § 41.37(c)(1)(vii).

modification would also enable Meyer's non-functional descriptive content to perform the usage-tracking functions of Snyder (Ans. 11-12).

                                    ISSUE

        The issue before us, then, is whether Appellant has shown that the Examiner erred in combining the teachings of Meyer with Snyder to arrive at the invention of representative claim 1. The issue turns on whether there is an apparent reason to combine the respective teachings in the fashion claimed, and whether the Examiner has provided articulated reasoning with some rational underpinning to support the legal conclusion of obviousness. For the following reasons, we find that no such error has been shown.

                              FINDINGS OF FACT

        1. Snyder discloses a system for detecting authorized or unauthorized duplication of software distributed to computers connected to a network. To this end, distributable computer-readable media is encoded with (1) a "Software Payload" to be tracked; (2) a "Tracker Client" program; and (3) a "Current Token" readable by the Tracker Client program (Snyder, col. 2, ll. 20-28; Abstract). A central computer on the network executes a corresponding "Tracker Server" program and includes a database for storing Current Tokens received from the Tracker Client programs. When a user attempts to execute the distributed software, the user's computer automatically connects to a central computer site on the network and presents an information token to the central site for evaluation. Upon evaluation, the Tracker Server program may grant or withhold permission

for the user to execute the distributed software (Snyder, Abstract; col. 2, l. 20 - col. 4, l. 33; col. 12, ll. 21-44).

2. Snyder expressly defines the term "Software Payload" as "[s]oftware program(s) *and/or data* that the publisher wishes to track or control" (Snyder, col. 4, ll. 50-52; emphasis added).

3. Snyder further notes that Software Payloads can include *film on CDROMs* to limit copying or usage time (Snyder, col. 12, ll. 44-47; emphasis added).

4. Meyer discloses a technique in which entire computer programs (among other things) can be embedded in media files via an encoding process (Meyer, col. 4, ll. 7-42; col. 6, ll. 43-50; Fig. 1). The media files include compressed media formats such as MP3, JPEG, etc. (Meyer, col. 5, ll. 59-62). The executable code embedded within these media files can be a variety of forms including Java files, Shockwave, Flash, Perl, VRML, Visual Basic, machine code, etc. (Meyer, col. 5, l. 59-col. 6, l. 3).

5. The Examiner's findings regarding the disclosure of Colvin (Ans. 4-5) are undisputed. Accordingly, we adopt these factual findings as our own and incorporate them here by reference.

PRINCIPLES OF LAW

In rejecting claims under 35 U.S.C. § 103, it is incumbent upon the Examiner to establish a factual basis to support the legal conclusion of obviousness. *See In re Fine*, 837 F.2d 1071, 1073 (Fed. Cir. 1988). In so doing, the Examiner must make the factual determinations set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966).

Discussing the question of obviousness of a patent that claims a
combination of known elements, *KSR Int'l v. Teleflex, Inc.*, 127 S. Ct. 1727
(2007), explains:

> When a work is available in one field of endeavor, design
> incentives and other market forces can prompt variations of it,
> either in the same field or a different one. If a person of
> ordinary skill can implement a predictable variation, §103
> likely bars its patentability. For the same reason, if a technique
> has been used to improve one device, and a person of ordinary
> skill in the art would recognize that it would improve similar
> devices in the same way, using the technique is obvious unless
> its actual application is beyond his or her skill. *Sakraida* [*v. AG
> Pro, Inc.*, 425 U.S. 273 (1976)] and *Anderson's-Black Rock*[*,
> Inc. v. Pavement Salvage Co.*, 396 U.S. 57 (1969)] are
> illustrative—a court must ask whether the improvement is more
> than the predictable use of prior art elements according to their
> established functions.

KSR, 127 S. Ct. at 1740. If the claimed subject matter cannot be fairly
characterized as involving the simple substitution of one known element for
another or the mere application of a known technique to a piece of prior art
ready for the improvement, a holding of obviousness can be based on a
showing that "there was an apparent reason to combine the known elements
in the fashion claimed." *Id.* at 1740-41. Such a showing requires:

> "some articulated reasoning with some rational underpinning to
> support the legal conclusion of obviousness. . . . [H]owever, the
> analysis need not seek out precise teachings directed to the
> specific subject matter of the challenged claim, for a court can
> take account of the inferences and creative steps that a person
> of ordinary skill in the art would employ." *Id.* at 1741 (quoting
> *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)).

If the Examiner's burden is met, the burden then shifts to the Appellant to overcome the prima facie case with argument and/or evidence. Obviousness is then determined on the basis of the evidence as a whole and the relative persuasiveness of the arguments. *See In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

ANALYSIS

We find no error in the Examiner's obviousness rejection of representative claim 1 based on the collective teachings of Snyder and Meyer. Although we find the Examiner's reliance on Meyer cumulative to Snyder for the reasons indicated below, we nonetheless find no error in the Examiner's combining the teachings of Meyer with Snyder to arrive at the claimed invention.

Although the Examiner relied on Meyer for teaching embedding the Tracker Client program in non-functional descriptive content, we nonetheless find that Snyder amply teaches such a feature. It is true that Snyder uses a stock analysis program as an example of a Software Payload to be tracked (Snyder, col. 5, l. 20 - col. 6, l. 39) as the Examiner indicates (Ans. 9). But such trackable Software Payloads are by no means limited to executable programs, let alone stock analysis programs.

As we noted in the Findings of Fact section above, Snyder expressly defines the term "Software Payload" as "[s]oftware program(s) *and/or data* that the publisher wishes to track or control" (FF 2; emphasis added). By the express terms of this definition, a Software Payload is not limited to software programs, but could merely be *data* that the publisher wants to track or control. Snyder further notes that Software Payloads can include

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film on CDROMs to limit copying or usage time (FF 3). The clear import of these teachings is that tracking or controlling the use of *data* via the disclosed system is a viable alternative to tracking or controlling software programs. Including film on CDROMs as a form of such a payload, in our view, reasonably suggests that such trackable data could include non-functional descriptive content (e.g., media).

In any event, we find no error in the Examiner's reliance on Meyer for such a teaching. Meyer discloses a technique in which entire computer programs (among other things) can be embedded in media files via an encoding process (FF 4). The media files include compressed media formats such as MP3, JPEG, etc. (*Id.*). The executable code embedded within these media files can be a variety of forms including Java files, Shockwave, Flash, Perl, VRML, Visual Basic, machine code, etc. (*Id.*).

In view of these collective teachings, we see no error in the Examiner's position that ordinarily skilled artisans would modify Snyder to embed the recited instruction codes in non-functional descriptive content. In our view, the fundamental rationale for Snyder's system (i.e., detecting and controlling duplication) is readily applicable to non-functional descriptive content as well as computer programs. Not only does the Snyder reference itself suggest this application as we noted above, but we also note that ordinarily skilled artisans would recognize that non-functional descriptive content may include copyrightable subject matter. As such, automatically tracking and controlling the duplication of this copyrightable intellectual property in a networked environment would amply justify extending Snyder's functionality to non-functional descriptive content. That Meyer expressly teaches embedding entire computer programs in non-functional

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descriptive content only reinforces our conclusion that there is an adequate reason on this record to modify Snyder to embed the instruction codes in non-functional descriptive content as claimed.

Also, we are not persuaded that Meyer teaches away from the claimed invention as Appellant argues (Reply Br. 2, 3, 6, 7). Appellant is correct that Meyer notes that a record company might embed advertising and e-commerce messages in music files and encourage the free and open distribution of the music to reach a larger audience (Meyer, col. 4, ll. 24-28). This exemplary application, however, is but one example of such an application: Meyer's system is hardly limited to this application.

In fact, Meyer lists various other exemplary applications of the embedded functionality (Meyer, col. 4, ll. 10-18)—applications that are quite diverse (e.g., games, ticket purchases, polls, etc.). In our view, including the ability to track the usage of media files via such an embedded functionality would have been well within the level of ordinarily skilled artisans. As such, not only do we find ample basis to modify Snyder in light of the teachings of Meyer as the Examiner proposes, we also find ample basis on this record to embed tracking software in the media file of Meyer in view of the teachings of Snyder. In either case, we find that all limitations of representative claim 1 are amply suggested by the collective teachings of the cited references.[4]

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[4] We reach this conclusion notwithstanding Appellant's contention that there are "indicia of nonobviousness" in the record that purportedly undermine the Examiner's obviousness conclusion—indicia that were allegedly not considered by the Examiner (App. Br. 8; Reply Br. 6). While Appellant does not specify exactly what constitutes this "indicia" apart from referring to one such indicia in the paragraph spanning pages 7 and 8 of the Brief

For the foregoing reasons, Appellant has not persuaded us of error in the Examiner's rejection of representative claim 1. Therefore, we will sustain the Examiner's rejection of that claim, and claims 2-13, 15, 19, 20, 29, and 31-35 which fall with claim 1.

The Obviousness Rejection Based on Colvin and Meyer

We now consider the Examiner's obviousness rejection of claims 1-11, 16-20, 29, and 31-35 over Colvin and Meyer (Ans. 4-5). Regarding representative claim 1,[5] Appellant does not dispute the Examiner's findings with respect to the disclosure of Colvin (Ans. 4-5). Rather, Appellant reiterates the arguments made with respect to the motivation to modify the base reference in view of the teachings of Meyer to arrive at the claimed invention (App. Br. 8-9).

For the reasons indicated previously, however, we are not persuaded by these arguments. Furthermore, in combining the teachings of Meyer with Colvin, we find that the Examiner has provided articulated reasoning with some rational underpinning to support the legal conclusion of obviousness (Ans. 5). Appellant has simply not persuasively rebutted the Examiner's position in this regard—a position that we find reasonable.

For the foregoing reasons, Appellant has not persuaded us of error in the Examiner's rejection of representative claim 1. Therefore, we will

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(Reply Br. 6), we have nonetheless considered the entire record before us on appeal. Upon consideration of the record before us, we conclude that the evidence of obviousness outweighs any purported "indicia of nonobviousness" to the extent that such indicia exists in the record before us.
[5] Appellant argues claims 1-13, 15, 19, 20, 29, and 31-35 together as a group. *See* App. Br. 5. Accordingly, we select claim 1 as representative.

sustain the Examiner's rejection of that claim, and claims 2-11, 16-20, 29, and 31-35 which fall with claim 1.

Obviousness Rejections of Claims 16-18, 21, and 22

Regarding the obviousness rejections of (1) claims 16 and 17 over Snyder, Meyer, and Peinado (Ans. 5-6); (2) claim 18 over Snyder, Meyer, Peinado, and Story (Ans. 6); (3) claim 21 over Snyder, Meyer, and Bullen (Ans. 6-7); and (4) claim 22 over Snyder, Meyer, Bullen, and Tomat (Ans. 7), we find that Appellant has not persuasively rebutted the Examiner's prima facie case of obviousness for these claims, but merely contended that the additional references fail to cure the previously-noted deficiencies of Snyder and Meyer (App. Br. 9-11).

Once the Examiner has satisfied the burden of presenting a prima facie case of obviousness, the burden then shifts to Appellant to present evidence and/or arguments that persuasively rebut the Examiner's prima facie case. *See In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992). Since Appellant did not particularly point out errors in the Examiner's reasoning to persuasively rebut the Examiner's prima facie case of obviousness, the rejections are therefore sustained.

CONCLUSIONS OF LAW

Appellant has not shown that the Examiner erred in combining the teachings of Meyer with either Snyder or Colvin to arrive at the invention as indicated in the rejections of representative claim 1. Also, Appellant has not has not shown error in the Examiner's obviousness rejections of claims 16-18, 21, and 22.

DECISION

We have sustained the Examiner's rejections with respect to all claims on appeal. Therefore, the Examiner's decision rejecting claims 1-13, 15-22, 29, and 31-35 is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED

KIS

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